

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 702

March 6, 2013

**SUMMARY OF BILL:** Requires the Governor's Office of Diversity Business Enterprises (GO-DBE) to conduct a study of the Tennessee Consolidated Retirement System (TCRS) including asset management by minority-owned businesses. For purposes of the proposed legislation "minority-owned business" means a minority-owned business that is a continuing, independent, for profit business that performs a commercially useful function, and is at least 51 percent owned and controlled by one or more minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background. Requires the GO-DBE to report its findings and recommendations to the Governor, Board of Trustees, and the General Assembly by December 1, 2013.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$500,000/One-Time**

Assumptions:

- According to the Department of General Services (DGS), a similar disparity study was conducted by Griffin & Strong of Atlanta in 2007 to determine the level of disparity between value and number of contracts awarded to minority-owned, woman-owned, and small businesses. The budget for the disparity study was \$500,000.
- DGS assumes the same extensive analysis would be required to conduct a study of the TCRS including asset management by minority-owned businesses.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/lsc